

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-616-C - ORDER NO. 94-319✓
APRIL 7, 1994

IN RE: Joint Application of GTE South, Inc. and Contel of SC, Inc. for Approval to Merge.) ORDER APPROVING) JOINT APPLICATION) FOR MERGER
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This matter is before the Public Service Commission of South Carolina (the Commission) on GTE South, Incorporated (GTE South) and Contel of South Carolina, Inc., d/b/a GTE South Carolina's (GTE South Carolina) Joint Application for approval of a merger and issuance of a Certificate of Public Convenience and Necessity to GTE South to provide local exchange telecommunications service within the areas now served by GTE South Carolina. This Joint Application is submitted pursuant to S.C. Code Ann. §58-9-280 (1976), S.C. Code Ann. § 58-9-310 (Supp 1993), and 26 S.C. Regs. 103-800 (1976).

By letter dated October 22, 1993, the Commission's Executive Director instructed the Applicants to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas, once a week for two consecutive weeks. The purpose of the Notice of Filing was to inform interested parties of the Joint Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Thereafter, the Applicants provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed on behalf of the South

Carolina Public Communications Association (SCPCA). Based upon representations made on behalf of the Applicants by letter dated March 28, 1994, the SCPCA withdrew its intervention in this docket.

Upon consideration of the Joint Application and the applicable law, the Commission hereby issues the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Both GTE South and GTE South Carolina are telephone utilities certificated by this Commission to provide local exchange, access and intraLATA toll telecommunications services to the public in the State of South Carolina.
2. The common stock of GTE South is wholly owned by GTE Corporation.
3. The common stock of GTE South Carolina is wholly owned by Contel Corporation. To facilitate the merger contemplated, Contel Corporation will distribute all of the common stock of GTE South Carolina to GTE Corporation.
4. A corporate reorganization including the merger of GTE Corporation and Contel Corporation was completed on March 14, 1991. Contel Corporation continues to own the outstanding common stock of GTE South Carolina.
5. In accordance with an Operating Agreement, effective date of March 14, 1991, GTE South and GTE South Carolina have proceeded to consolidate and integrate their operations in order to achieve more efficient and effective operations and more efficient utilization of technology and network resources.

6. On the effective date of the merger, December 31, 1993, the assets and liabilities of GTE South Carolina will be carried on the books of GTE South, the surviving corporation, at the amounts carried by GTE South Carolina on that date.

7. GTE South possesses the technical, financial, and managerial resources and ability to provide local exchange, access, and intraLATA toll telecommunications services within the present GTE South Carolina service area. The merger will be transparent from the point of view of the GTE South and GTE South Carolina customers, with the exception of the change in name, with respect to GTE South Carolina.

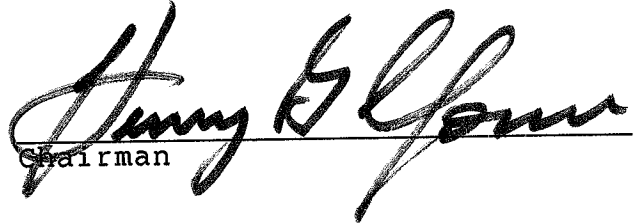
8. The Applicants assert the proposed merger will be beneficial in that it will allow the surviving corporation to achieve greater administrative efficiency.

CONCLUSIONS OF LAW

1. The Commission concludes that the proposed merger is in the public's interest and that it should, therefore, be approved, effective July 1, 1994.

2. A Certificate of Public Necessity and Convenience is granted to GTE South to provide local telecommunications services within the areas now served by GTE South Carolina.

IT IS SO ORDERED.


Chairman

ATTEST:


Deputy Executive Director

(SEAL)